



Social security: the case for radical change



“After eight years of hard austerity, the social security system no longer provides for many people the safety net that it was originally designed to do. A combination of an unworkable system and job cuts have put immense pressure on both claimant and staff. It’s time for change.”

Shadow chancellor John McDonnell MP

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Introduction

The welfare state was founded on the principle that it should be “there for us all”. It provided dignity from the cradle to the grave for all citizens, as of right. This new system was part of a comprehensive policy of social progress that endeavoured to eradicate the grotesque levels of inequality that plagued 1930s Britain.

From the days of Margaret Thatcher to the present, however, a war has been waged on the welfare state and the principles that underpin it. For over forty years there has been an all-out assault on the social security system. The neoliberal agenda, which has dominated the political landscape for decades, has had at its heart the intention of rolling back the state.

In 2011, PCS set out its vision for the welfare state. Seven years on from the publication of ‘Welfare: An Alternative Vision’, the situation is now desperate. Since 2010, a total of £34 billion has been cut from the welfare state with a further £12 billion expected by 2022.

The consequences of these cuts have been dire: 14 million people are in poverty,

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including 4 million children; over a million foodbank parcels were handed out in 2017 and the number of suicide attempts made by disabled claimants has doubled.

The political climate that facilitated brutal cuts and their devastating impact didn’t happen overnight, nor did it happen in a vacuum. A concerted effort has been made by governments of all colours to portray the benefits system as over-generous and those who rely on it as lazy, feckless scroungers.

Claiming benefits is now viewed by many people as a lifestyle choice, rather than as a necessity for topping up the pay of the poorly paid, or supporting the disabled and the unemployed in their daily lives.

There has been an ever greater emphasis on individual responsibility. For those who are unfortunate enough to find themselves in a difficult period in their life, they are deemed to have got themselves into that situation of their own volition and they are expected to get themselves out of it.

The disastrous rollout of Universal Credit encapsulates the shift toward individual responsibility. In areas where Universal Credit has been rolled out, foodbank use, rent arrears and evictions have soared.

Jeremy Corbyn, John McDonnell and the rest of Labour's shadow cabinet have a long history of being strong advocates of a decent social security system. During the debate on the Welfare and Work Reform Act of 2016, acting Labour leader Harriet Harman whipped Labour MPs to abstain on the vote. 48 Labour MPs defied the whip and voted against the bill.

Speaking in the Commons chamber, John McDonnell said he 'would swim through vomit to vote against this bill'. Those who rebelled included Jeremy Corbyn, John McDonnell and Margaret Greenwood,

Labour's current shadow Work and Pensions Secretary.

The commitments put forward in Labour's election manifesto in 2017 were very welcome. We are now calling on Labour to be bold and go much further.

In this pamphlet, we set out how the social security system has changed since 1945 and our vision for how it can be transformed into one we can once again be proud of.



Mark Serwotka
General secretary



Fran Heathcote
Acting president



The creation of the welfare state

William Beveridge

Out of the ashes and destruction of the Second World War came the post-war establishment of a welfare state. The creation of the NHS and the implementation of the Beveridge Report were seminal moments in British history.

The Beveridge Report, which celebrated its 75th anniversary at the end of 2017, decreed that the work of the government should be to abolish the 'Five Great Evils' which plagued society: Want, Disease, Ignorance, Squalor, and Idleness. The welfare state was built on the foundations of universality; a system that, regardless of one's circumstances, would provide everyone with dignity in work, retirement, unemployment, disability and illness as of right.

The Beveridge Report was implemented at a time when, due to the war, employment was virtually at one hundred percent. The government at the time committed to a policy of full employment and in the following 35 years, the unemployment rate fluctuated between a historically low 2–4%.

Full employment was a positive driver of economic growth and a component part of a universal welfare system. It maximised government income through taxes, and therefore spending on social security and other services. With more people employed, it reduced demand on the social security system.

The welfare state was underpinned by a

comprehensive system of social insurance that established a safety net below which no person, family or community could fall. The contributory principle – which established the practice of both employers and employees contributing through National Insurance – affirmed the notion that everyone was entitled to

welfare support in their time of need.

However, the welfare system currently in place is a pale shadow of what it once was and were those pioneers who created and fought for it alive to see it today, they would almost certainly fail to recognise it.

Dismantling the welfare state

The abandonment of full employment as a policy was the precursor to the casualization of the workforce, deregulation and the erosion of trade union rights. This fundamental shift in the UK economy in fact increased the need for a social security system that supports the low paid, precariously employed as well the unemployed and the disabled.

Nevertheless, over the past several decades the value of the welfare state has been eroded. Governments of all colours have embarked on campaigns

that attacked the concept and principles behind the welfare state. For well over thirty years a pernicious strategy of divide and rule has taken hold as those who are unable to work are pitted against those who are in work; the disabled are pitted against the able-bodied; the immigrant worker pitted against the native.

This tactic of sowing deep divisions in society – often amongst those living on, below or just above the poverty line – has been very successful in cultivating support for benefit cuts.



The intense debates that take place regarding 'skivers and strivers' provide ample opportunity to divert the public's attention away from those living at the very top of the income scale, who are clandestinely syphoning away wealth off-shore, exploiting the poorly paid and accelerating a race to the bottom in employment rights.

This is exemplified in the hugely disproportionate press and media coverage given to benefit fraud when compared to government revenue lost through tax avoidance and evasion. The public perception of the level of benefit fraud, at 27%, far outweighs the true level of fraudulent claims of 1%. Research in fact shows that more money goes unclaimed than is lost to fraudulent activity; benefit advice service 'Entitled To' calculate that in 2017, 8.6 million families missed out on benefit payments they were entitled to claim to the tune of £20 billion. These figures are dwarfed by the £119 billion in tax that is avoided, evaded or uncollected each year, according to PCS-commissioned research.

As of 2017, 4,000 DWP staff were employed in benefit fraud work, while 500 HMRC staff investigated the tax affairs of high net worth individuals with assets over £10 million.

Attitudes on welfare have become so toxic that those who are barely keeping themselves financially afloat or are in the midst of an economic crisis have become the subject of primetime viewing entertainment for millions. The rapidly increasing popularity

of "poverty porn" – 'Benefits Street', 'Can't Pay? We'll Take it Away' and 'Benefits Britain: Life on the Dole' – is symptomatic of the callous way in which public opinion has so drastically changed on the welfare state.

These programmes further the stereotypical view of work-shy freeloaders who fritter away their benefit money on widescreen TVs, alcohol and cigarettes. This is despite findings from the Social Metrics Foundation showing that middle-class people consume more alcohol than those living below the poverty line.

Benefit campaign group 'Who Benefits' commissioned research in 2014 that revealed:

- One million people on benefits say they had been abused because of their financial situation
- Over 200,000 say they had been abused physically.

A TUC poll on welfare showed that people thought the proportion of the welfare budget spent on unemployment benefits was 41%, compared to the real figure of 3%. Similarly, respondents to the same poll overestimated by 30% the amount that is paid to an average unemployed couple with two children in receipt of Jobseekers Allowance.

The element of competition and resentment of those who have fallen on hard times has become an integral part of welfare. It's vitally important that these misconceptions are challenged and redressed.



The Thatcher and Major years

Former Tory Chancellor Geoffrey Howe

The drastic rollback of the welfare state carried out by Thatcher's government was preceded by changes in policy made by the previous Labour government. In 1976, pressure from the IMF forced the government to cut social security spending by 5% in real terms.

Once the Conservatives took power in 1979, they went much further. Documents released under the thirty years rule by the National Archives provide an insight into the lengths at which some within her cabinet were willing to go in dismantling the welfare state.

“Provision of the welfare state was corrupting not only of the national finances but of society itself”

Sir Geoffrey Howe

The then Chancellor, Geoffrey Howe, was one of the key voices in calling for a reduced role of the state in peoples’

lives. Howe called into question the state's capacity to provide the support necessary for everyone from birth until death. Howe even went so far as to say that 'provision of the welfare state was corrupting not only of the national finances but of society itself'.

It was in this spirit that Thatcher and Howe secretly planned to completely overhaul the welfare state. Thatcher commissioned research carried out by the think-tank Central Policy Review Staff (CPRS) which suggested a number of radical proposals for her and her cabinet to consider. The plans included charges for state education, an insurance-based health service and a system of private medical facilities. Going into the detail of the plan, one internal government memo stated: "this would, of course, mean the end of the National Health Service".

According to former Chancellor Nigel Lawson, the proposals were so controversial that they "caused the nearest thing to a cabinet riot in the history of the Thatcher administration". Despite the government announcing the plans had been shelved and Thatcher later saying in her memoirs that she was horrified at CPRS's suggestions, released Treasury papers reveal Thatcher and Howe were secretly pushing on with the proposals.

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welfare state; housing and education programmes were cut, prescription charges were raised and funding of employment services was slashed.

The Thatcher government passed legislation that increased the disqualification period for the unemployed from 6 to 26 weeks. In 1995, John Major's Jobseekers Allowance Act introduced fixed length sanctions and a jobseeker's agreement. Both of these policies would go on to become an integral part of the social security system; the sanctions regime and the claimant commitment.

The actions taken by Thatcher, Howe, Major and others were instrumental in changing the debate and warping attitudes on welfare. The language used would be seized and expanded upon by politicians from across the political spectrum to continue and ultimately accelerate the dismantling of the welfare state.



The New Labour years

New Labour work and pensions secretary, James Purnell

Once elected in 1997, New Labour accelerated the dismantling of the welfare state. New Labour's 'Third Way' and 'New Deal' policies saw an escalation of welfare-to-work programmes and increased the burden of individual responsibility which is so prevalent in today's system.

As Chancellor, Gordon Brown committed, as Labour had done in an election pledge, to observe Conservative spending limits for the first two years in Government. The cuts made to benefit payments under New Labour meant that working-age households without earnings saw their benefits fall behind average incomes.

“We can’t afford to waste taxpayers’ money on people who are playing the system.”

James Purnell

One of the first cuts made in the social security budget was the one-parent benefit – a benefit initially proposed by the previous Conservative Government.

There was criticism of the policy from

both wings of the Parliamentary Labour Party and when the bill was voted on in December 1997, 47 Labour MPs voted against. Those who voted against included a number of now senior figures in Labour, including Jeremy Corbyn, Diane Abbott and John McDonnell. In all, the rebellion saw one minister and two Private Parliamentary Secretaries resign and a ministerial aide sacked.

As the work and pensions secretary, James Purnell was responsible for New Labour's welfare reform programme and he intended to develop a social security system where "virtually everyone has to do something in return for their benefits". Purnell was keen to emphasise the need for conditionality in the social security system and this approach was praised by a number of later-to-be Conservative Ministers as it paved the way for further conditionality in 2010 and beyond.

Purnell was also one of the first proponents of what we now know as the benefit sanctions system. In 2008 he said that "punishing" people who did not try to find work was the right thing to do. He went on

to say "if there is work there for people, we believe they should do it. We can't afford to waste taxpayers' money on people who are playing the system".

At the time these comments were made, the National Fraud Authority found that the level of tax avoidance and evasion was fifteen times higher than that of benefit fraud.

Prime Minister Gordon Brown's spending plans in Labour's 2010 election manifesto pledged further cuts and "tough choices on spending". Labour pledged to make £15 billion efficiency savings in 2010–11 and would put in place a 1% public sector pay cap. They also pledged to take tough decisions on welfare reform; increasing 'fairness' and 'work incentives' with £1.5 billion of savings delivered.

The adoption of right-wing rhetoric on welfare signalled a key turning point. With the two main parties willing to target the social security system and those who rely on it, it paved the way for the massive cuts which followed under David Cameron and George Osborne.



Coalition, Cameron and the Conservatives

Former Tory Chancellor George Osborne

When the coalition government came into power in 2010, it was in the wake of the financial crash of 2008. The coalition government were successful in framing the recession that followed the crash and bank bailout as the result of economic mismanagement by the previous Labour government. This is despite the Conservatives saying in 2007 that they would commit to the same levels of public spending as the Labour Government for the following three years.

The bank bailout totalled £1.3 trillion and the coalition government claimed that, in order to wipe out the deficit, they needed to embark on an austerity agenda that included a programme of spending cuts totalling over £80 billion. The Conservative-led government was able to portray austerity as an economic

necessity rather than a political choice.

Having established the austerity agenda, the language used in the conversation on the welfare state significantly deteriorated, as did the amount of funding available. The consequences of a combination of an ever-shrinking safety net, an increasing level of individual responsibility and neoliberal labour market policies that shackled the unions and attacked workers' rights have been devastating.

Almost 60% of the poor now live in households where at least one person has a job.

Given the decades-long assault on the social security system, it's no surprise that research from the National Centre for Social Research has revealed that public support for greater investment in the welfare state has been on the decline. The number of people who felt that more should be spent on welfare benefits fell from 61% in 1989 to 30% in 2014. Support for increasing taxes and spending more on health, education and benefits fell from 63% in 2002 to 37% in 2014.

According to the Social Metric Foundation's 2018 definition of poverty, which takes into account childcare costs and disabilities, there are:

- 14 million people living in poverty
- 4 million children living in poverty
- 7.7 million are living in persistent poverty, defined as living below the poverty line for four years or more
- 6.9 million of those in poverty have a disabled family member
- 2.5 million are only 10% above the poverty line, meaning they are one relatively small change in their circumstances away from dropping into poverty.

For six years, Iain Duncan Smith was the Secretary of State for the DWP and he is regarded by many as the architect of some of the most damaging social security cuts. During his time as DWP secretary, some of the policies rolled out included the 'bedroom tax', the scrapping of the Independent Living Fund, capping Access to Work funding, increasing

sickness benefit sanctions, the benefit cap and cutting Personal Independence Payment, Disability Living Allowance and Employment and Support Allowance.

Disabled people are more susceptible to austerity cutbacks, according to campaign group Disabled People Against Cuts (DPAC). Disabled people have faced cuts up to 9 times more on average than non-disabled people and this figure is 19 times higher for disabled people with higher support needs.

Despite the rhetoric, work isn't always the best route out of poverty; billions of pounds are being spent each year on topping up the wages of the low paid, with two-thirds of children living in poverty coming from a household with at least one working parent or guardian. The amount paid out in working tax credits spiked from £1 billion in 1999 to £30 billion in 2015. Almost 60% of the poor now live in households where at least one person has a job, a figure more than 20% higher than in 1995.

The world of work has changed considerably since the creation of the welfare state. Research shows that three-quarters of those who are casually employed do not receive the same pay each month. This lack of guaranteed hours and income is pushing people into poverty, according to the Joseph Rowntree Foundation and the charity Gingerbread.

Child Poverty Action Group's 'Cost of a Child' report found that the national minimum wage simply isn't enough for parents to provide what is referred to

as a basic, no-frills lifestyle. Two parents working full-time on the minimum wage will fall 12% short of the minimum cost to bring up a family. The problem is particularly acute for single parents, who every week fall 20% short of being able to provide an acceptable level of living for their children.

In 2018 the UN rapporteur on poverty on human rights visited the UK and concluded:

- Britain was in breach of four UN human rights agreements relating to women, children, disabled people and economic and social rights
- The UK government has inflicted “great misery” on its people with “punitive, mean-spirited, and often callous” austerity policies driven by a political desire to undertake social re-engineering rather than economic necessity
- Levels of child poverty were “not just a disgrace, but a social calamity and an economic disaster.”

According to the Economic Statistics Centre of Excellence, which advises the Office for National Statistics, if the experience of every household were treated equally, real household incomes after housing costs grew by only 0.2 % a year in the decade to 2015–16, rather than the 0.52 % shown in official figures. The research confirms that UK households suffered their worst decade of income growth for 50 years during and after the financial crisis, and suggests that living



standards of ordinary households were hit even harder than originally thought.

Rising rents and cuts to housing benefits have led to an increase in rough sleeping by 169% since 2015, according to government figures. An investigation by the Bureau of Investigative Journalists reported that 440 people died on the streets between the summers of 2017–2018

Cuts to Employment Support Allowance, Personal Independence Payment and the introduction of work capability assessments have led to 'grave and systematic' violations of the rights of the disabled, according to the UN. Since 2010, over a million sanctions have been applied to disabled benefit claimants and Citizens Advice say that disabled JSA claimants are more likely to be sanctioned than non-disabled claimants. Recent figures show that there has been a doubling in the number of suicide attempts by disability benefit claimants.



Universal Credit

The introduction of Universal Credit in 2013 included £2 billion in cuts to tax credits and work allowances. These cuts came despite the government being defeated on plans to cut £4 billion from working tax credits in 2015.

The new system has an in-built delay of five-weeks from the moment the claim is started, although many claimants have been made to wait much longer. The National Audit Office findings showed that one in four payments in the last twelve months were made late. 40% of new claims were made to wait 11 weeks for their first payment.

Universal Credit has been flawed in its implementation but it also sets a dangerous precedent for those who need support from the state. Efforts made to

simplify the benefits system are welcome but by lumping all working-age benefits into one monthly sum responsibility and blame are shifted onto the claimant.

The emphasis on the individual responsibility element of universal credit is of particular concern for those who are vulnerable or have financial literacy issues. Research from UCL and the University of Cambridge found that 1 in 3 cannot work out the correct change from a shopping trip while 4 in 10 could not apply a simple discount. Professor John Jerrim of UCL said: “this new research highlights how England is facing a crisis in terms of adults’ financial literacy skills. The reality is that many adults struggle to complete even quite basic financial tasks”.

Over the past 12 months in areas where Universal Credit has been rolled out,

“Our benefits system is supposed to anchor any of us from being swept into poverty, but if universal credit is to do that, we need to see urgent changes.”

Trussell Trust

foodbank use has increased by 52%; this is four times higher than areas where Universal Credit hasn't been rolled out.

Research from Policy in Practice has also shown that more families (40%) stand to lose out on universal credit than those families who stand to gain (30%).

The policy of conditionality is now being trialled for those who are in work and enrolled on Universal Credit. The results of a three-year trial – carried out between 2015 and 2018 – of applying sanctions to those who do not make efforts to increase their hours found that punishing those in work had very little impact. The government report stated “the use of sanctions did not seem to have a positive impact on motivation to progress” and “there was no evidence that it [sanctions] helped motivate participants to progress in work”.

This mix of cutbacks and increased individual responsibility has been particularly harmful to renters enrolled onto Universal Credit. Unlike housing benefit,

the housing element of Universal Credit isn't automatically paid to the claimant's landlord. Research from a collective of housing federations across the UK reveals that nearly 3 in 4 universal credit claimants are in rent arrears, compared to 1 in 3 of all other tenants. The total amount of rent arrears for those in receipt of Universal Credit stands at £24 million.

A study conducted in late 2018 by Gateshead Council and public health researchers found that universal credit has become a serious threat to public health. The study revealed that the stress of navigating the new system was having such a profound impact on claimants that some considered suicide. The same study also revealed that the new system was increasing stress and levels of burnout among staff.

PCS's Universal Credit demands:

- Halt the rollout
- Remove the 7 days claimants must wait after a claim is made before they are eligible to receive UC payments
- Allow claimants to determine their own payment interval; flexibility on this has been won for claimants in Scotland
- Legislation for a new emergency payment to supplement UC, to prevent evictions due to rent arrears, late payments and benefit underpayments.

The principle of simplifying the benefit system is welcome but pushing people into further debt and misery is completely counter to the principles on which the welfare state was founded.



Future world of work

The advances made in technology over the past decade have raised the issues of automation, including its impact on jobs, and the feasibility of universal basic income (UBI).

The rate at which automation will wipe out jobs currently being performed by humans and its effect on inequality is a subject of debate. Price Waterhouse Cooper forecast that by 2030, 30% of all jobs within the UK will be automated, while the Organisation for Economic Co-operation and Development (OECD) forecast that

only 9% of UK jobs are at risk.

The OECD also warned that low qualified workers are likely to bear the brunt of the adjustment and the challenge for the future lies in tackling inequality.

The Institute for Public Policy Research (IPPR) has warned that automation could widen the gap between the richest and poorest in the UK.

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to automation, such as retail, where 73% of cashiers are women. According to research from the Institute of Development Studies, this problem will be exacerbated as women are less likely to get the new jobs that will be created over the coming decades. Jobs done in sectors dominated by women will be lost while the new jobs created will be in areas where women are the minority.

UBI is regarded by some as the solution to the challenges faced by automation. Sometimes referred to as a citizen's income, UBI is a regular, universal payment to everyone as an individual right, without means test or the obligation to work or perform other services in return, and high enough to ensure an existence in dignity and participation in society.

UBI has been advocated by those both on the left and the right of the political spectrum. Some of those on the right included Milton Friedman and others, who saw UBI as an opportunity to wipe out the welfare state completely.

Some academics have warned that if the level of UBI is set too low, people will be unable to afford to reject work and wages

will be pushed down as a result. When Finland trialled UBI in 2017, their aims of the trial were explicit: to incentivize people "to accept low paying and low productivity jobs".

Research has suggested that a more cost-effective way to eradicate poverty would be by making changes to unemployment benefit; setting the monthly unemployment benefit at around £930 would lift everyone out of poverty and would cost 6 to 35 times less than a UBI system.

The rate of automation is still being debated and therefore offering UBI as a solution to a challenge which may drastically vary in size is unlikely to be the best option.

The role of trade unions has tended to have been overlooked in discussions over UBI and automation. As the technological advances continue over the next decades, there will be a battle over who ultimately benefits.

Trade unions should not admit defeat on automation but instead, use the advances made to campaign for better terms and conditions for workers; flexible working, improvements in health and safety, a shorter working week and increased leisure time are all possible.

Trade unions have been at the forefront of protecting those workers whose jobs have changed in the wake of the fourth industrial revolution. When it comes to automation, trade unions will need to do the same.



Leader of the Labour Party, Jeremy Corbyn

In the three years since Jeremy Corbyn was elected Labour leader in 2015, the party has made a significant shift away from the neoliberal consensus that has dominated British politics for nearly four decades.

In the relatively short time it was produced, Labour's 2017 manifesto included some welcome social security policies including ending the bedroom tax, restoring housing benefit for those under 21, ending the sanctions regime, scrapping work capability assessments and increasing both Carer's Allowance and Employment and Support Allowance.

But in her analysis of the 2017 manifesto, Professor Ruth Lister said of Labour's plans for the unemployed: "This is a

disappointing section...the manifesto's accompanying funding document commits only an additional £4 billion a year to working-age social security. Women, children and some minority ethnic groups will be disproportionately affected".

One example where Labour could have gone further would be to have pledged to reverse the cuts made to the work allowance element of Universal Credit, which the Joseph Rowntree Foundation predicts would lift 340,000 people out of poverty.

Labour's 2017 election pledges were welcomed but the election result should give them the confidence to be bolder. There are encouraging signs: shadow

Work and Pensions Secretary, Margaret Greenwood, at Labour's 2018 Party Conference, pledged to stop the disastrous rollout of Universal Credit.

In order for radical reform of social security to take place, Labour will have to drastically reframe the role of a social security system in relation to its funding and its link to economic policy.

Since the 1980s, alongside the shift to neoliberal policies and cuts in public spending, the tax system has become increasingly regressive. A progressive taxation system and properly funded revenue collection could address concerns over the affordability of the welfare state.

Corporation tax is lower today than at any time in its history. According to data from the Institute for Fiscal Studies, company taxes now constitute only 12.5% (corporation tax is just 7%) of the tax revenues of the UK. In comparison, the people's taxes (income tax and VAT) make up more than 60%.

But an even more fundamental shift is possible: a progressive and properly funded welfare state should be seen as complementary to economic growth, rather than standing in direct opposition to it. This was one of the key tenets that underpinned the Beveridge Report and its implementation.

Beveridge's proposals on social security were linked to the policy of full employment. Full employment was a positive driver of economic growth and a component part of a universal welfare

A progressive and properly funded welfare state should be seen as complementary to economic growth

system. It maximised government income through taxes, and therefore possible spending on social security and other services, and because more people were in paid work, it reduced demand on the social security system. Welfare policy was a precondition for economic growth, not an impediment to it.

Since the 1980s, under both Conservative and Labour governments, welfare expenditure has been seen as a drag on economic growth. Labour can now be radical and, in tandem with a new economic policy of investment and growth, it can invest in social security as a part of that policy of growth.

If Labour can successfully shift the perception of social security as complementary to economic growth, alongside their radical economic policy, opposition to welfare spending would disappear.

The link between welfare policy and economic policy chimes with Labour's new approach to the economy, which seeks to implement an alternative to austerity policies. Plans include £250 billion in investment over a decade in areas such as housing and transport as well as a national

investment bank. John McDonnell has said that questions raised about the costs of debt were an attempt to “sow fears over the costs of state investment”.

The Welfare Charter – jointly agreed between PCS, Unite Community and the Derbyshire Unemployed Workers Centre – calls for:

- A National Living Wage based on the nationally-recognised Minimum Income Standard
- Equal access to the labour market, the workplace and benefits
- An end to work conscription, which forces claimants to work for free or risk losing their benefit payments.

After nearly a decade of cuts, austerity and creeping conditionality placed on those in and out of work, there is an appetite for investment. There is a growing consensus that a radical new investment programme is needed to transform the economy and reverse the growing levels of inequality.

The IPPR think-tank has called for an overhaul of the British economy on a par with Labour’s post-war plans. The commission stated that Britain was being held back by a “business culture dominated by decades of short-term profit-making” and weak investment levels as well as low wages.

If Labour can impress upon the electorate, businesses and civil society groups the integral part social security can play in boosting economic growth and prosperity, they will be able to develop a policy

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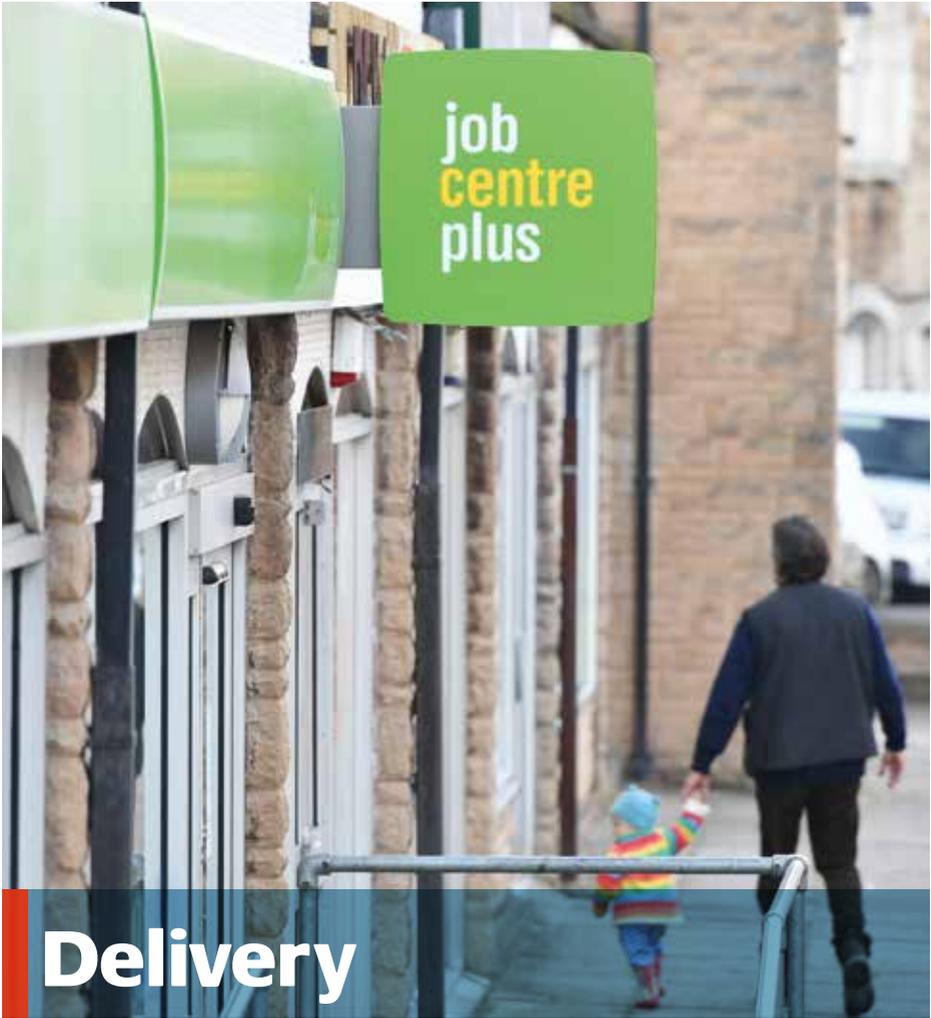
shift that would make arguments to cut welfare spending obsolete.

Despite the undoubted progress brought about by the Beveridge Report, it has subsequently been criticised as strongly gendered.

Several groups were not covered by the insurance scheme including unmarried women not in work (often caring for elderly parents or other relatives), single parents and divorced and separated wives.

The pension and benefit rights of working wives were based on their husband’s contributory record, so that women were entitled to only 75% of unemployment or sickness benefit.

Labour’s approach to social security reform must reflect the societal changes that have taken place since 1945 with a number of groups in society having won hard-fought rights. These changes include a growing rate of divorce, the rising numbers of lone parents and the greater participation of women in the workplace.



Delivery

Any reform of the social security system must utilise the expertise of knowledgeable and dedicated DWP staff.

The DWP group is the largest in PCS, with over 48,000 members working in the department. DWP staff have faced a number of challenges since 2010,

including pay freezes, office closures and overwhelming workloads.

A 2017 DWP survey found that 70% of staff reported that they had experienced financial difficulty due to low pay. The most recent Civil Service People Survey conducted by the government shows

that satisfaction with pay and conditions has fallen since 2009 and currently stands at 30%.

The jobcentre closure programme, which saw 15% of the jobcentre network closed between 2016 – 2018, is forcing staff to either relocate to a new office and face a lengthy commute or leave the profession altogether. The further closure of 40 sites from 2021 – 2023 will see 5,000 jobs lost, including experienced back-of-house benefit processing staff.

The office closure programme will mean a total of £140 million a year will be cut from the DWP budget over the next decade.

With the complexities of universal credit looming large over the DWP and its hardworking staff, losing experienced and knowledgeable workers will mean the service jobcentres are able to offer will be poorer as a result.

PCS members who work in jobcentres and other DWP departments are dedicated and hardworking. They want to support those who need help but the low morale, overwhelming workloads and deep cuts have made that difficult.

A jobcentre should be seen as a key community asset, working in collaboration with local authorities and third-sector

organisations to offer the help and support people need. This requires a halt to the office closures and a significant investment in jobcentre offices.

A huge expansion of the home visits service and a greater emphasis on face-to-face appointments is also needed. This will enhance relationships between work coaches and claimants and will improve the accessibility of the service for the elderly and the vulnerable.

As a union, PCS has raised concerns about the digitalisation of the social security system and its exclusionary impact. The Good Things Foundation revealed that 15.2 million people in the UK are either non-users or limited users of the internet. 90% of those are likely to be disadvantaged, which takes into account poor health, disability and social class.

The Welfare Charter makes a number of recommendations for the delivery of social security which includes representation for unemployed workers through advocates and collectives; state provision of high quality information, advice and guidance on employment, training and careers; the appointment of an Ombudsman for claimants to ensure claimants are treated with respect and dignity.

A more customer-focused service will ensure better outcomes for claimants and the resources must be put in place to facilitate this.

Social Security in Scotland

Since 2016 some social security powers have been devolved to the Scottish Government and currently equates to 15% of the UK social security system. These benefit areas include Disability Living Allowance, Personal Independence Payment, Carers Allowance as well as limited powers in relation to Universal Credit.

Once fully devolved, around £2.9billion of the social security spend, covering 1.4 million claimants, will become the responsibility of the Scottish Government. This will involve processing the same number of payments in a week as is currently makes every year.

As part of the Scotland Act 2016, there is

an additional power to create new or top-up existing benefits which can be exercised by the Scottish Government to address perceived shortfalls in the UK system.

PCS produced two booklets in 2017, 'The Future of Social Security in Scotland' and 'The Future of Social Security – views from within the system' which set out our campaigning messages, and recommendations based on research carried out with DWP staff who want to see a successful social security system in Scotland. These documents have been presented to Scottish Ministers and senior managers within the Scottish Government as a starting point for the union's contribution to shaping social security in Scotland.

The Scottish parliament



Conclusion

In this pamphlet we have detailed the concerted efforts made to dismantle the welfare state and the devastating consequences. A radical overhaul should be seen as a top priority for an incoming Labour government.

We have also set out the background for policy development in key areas. This includes scrapping conditionality in favour of universalism. There is a limited amount of research currently available on universalism, specifically on how it could be implemented in the UK.

A policy shift from conditionality to universalism will require detailed research that explores issues including the level at which universal payments could be set, the projected impact on the economy and the effect it will have on the labour market.

A second fundamental policy shift must be carried out on funding the social security system based on research into alternatives to the dominant neo-liberal approach.

The political climate in which the austerity agenda was imposed has changed and as this pamphlet has highlighted, academics, economists and the public are calling for greater levels of investment.

One area that could be explored is the structure of the Department for Work and Pensions itself. The Department for Social

Universal credit encapsulates some of the worst elements of welfare reform from the past thirty years and labour has committed to halting the rollout. At Labour's 2018 party conference, the party pledged to carry out a thorough review of social security. We are calling on Labour to consider as part of this review the scrapping of universal credit altogether.

Security (DSS) was dissolved in 2001 and was replaced by the DWP.

A return to a dedicated social security department, independent of employment support, could have the benefit of focussing solely on those who are unable to work and are in need of extra support from the state.

Any reform of social security should take into account the voice of claimants. Specifically, as radical new changes are carried out the concerns of claimants should be prominent in the implementation and monitoring of the new practices as they develop.

Having claimants at the heart of social security reform is fundamental in ensuring they feel the system is working for them rather than against.

Labour's 2017 election manifesto made welcome proposals on social security policy. Now is the time for Labour to go further and propose a fundamental reform of the system – a Beveridge Report fit for the 21st century.

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Who Benefits

Entitled To

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